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DIA, OSD and DOS review(s) completed.



CONFIDENTIAL'

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GENERAL

- 1. Guided missiles over Sweden--A Swedish representative at the Red Air celebration in Moscow has told US Military Attache Moscow that 200 flying bombs have passed over Sweden. Most of the bombs, according to radar plottings, come from the Peenemuende area and some may have come from Baltic coastal areas. As no reports of the bombs have been received from Finland, it is probable that they drop in the Gulf of Bothnia after traversing Sweden at a speed between 240 and 360 miles per hour. The Swedish official believes that the bombs are similar to but slightly larger than the V-1, and are generally under accurate radio control.
- 2. Czechoslovakia about to recognize Giral--According to Caffery Foreign Minister Masaryk has told a member of US Embassy Paris that Czechoslovak recognition of the Giral Spanish "Republican" Government would be announced "in a couple of days."
- 3. Soviet troop concentration on Iranian border—US Military Attache Tabriz has reported that as of 19 August no information was available on the reported Soviet troop concentration along the Soviet-Iranian border. The Attache believes that "a build-up of some nature" is taking place but his "guess" is that the War Department's estimate of nine Soviet divisions is more accurate than the rumor of between 25 and 30 divisions.

EUROPE-AFRICA

4. GERMANY: USSR opposes interzonal exchange of newspapers—US
Political Advisor Murphy reports that at the 19 August meeting of the
Political Directorate the Soviet member objected to the peremptory
tone of the US proposal for the interzonal exchange of newspapers, and
expressed misgivings about the liberties which certain "hooligan" German editors might take.

5. FRANCE: Socialists split over policy toward Communists—Socialist Party members have told Caffery that, among the controversies "raging" within the Party, the issue of unity of action with the Communists is the most provocative. (Future Socialist policy will be established in the Party's national convention late in August.)

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TOP SECRET CONFIDENTIAL

6. GREECE: Border infiltration by Bulgarian Communists—US Delegation ACC Bulgaria has learned from reliable sources that Bulgarian Communist personnel, weapons and money are being moved across the Bulgarian border into northeastern Greece. However, neither the Delegation nor the Acting Military Attache in Athens has any information to support rumors of an imminent Communist revolution in Greece. The Delegation believes that such a revolution is "highly unlikely" at present.

Royalist maneuver may precipitate crisis—US Ambassador MacVeagh reports that a cabinet crisis may result from the sudden order of Defense Minister Mavromikhalis, "handsomely" increasing the allowances of all Army officers. The Finance Minister has threatened to resign on the ground that the order will force a corresponding increase in civil service salaries and nullify current efforts to improve the financial situation. MacVeagh comments that Mavromikhalis' action is another example of the irresponsibility of extreme rightist Government officials.

US and UK to observe plebiscite informally-Byrnes reports that the US and UK have agreed to keep their observers now in Greece to carry out informal observation of the Greek plebiscite.

7. YUGOSLAVIA: US to protest directly to Tito on plane attack—US Ambassador Patterson has been instructed to inform Tito personally of the seriousness with which the US views the recent Yugoslav attacks on US aircraft.

FAR EAST

8. INDIA: Moslem League blamed for Calcutta riots—US Military Liaison Officer New Delhi attributes the Calcutta riots principally to the failure of the Bengal Ministry, which is dominated by the Moslem League, to take precautions in view of Jinnah's call for observation of 16 August as Direct Action Day. The League Prime Minister for Bengal is reported to have given moral and material support to the rioters. The Officer believes that the riots have alienated the Vicaroy from the League and that the League Ministries in the provinces of Bengal and Sind will be dissolved.

TOP SECRET ENTIAL

9. CHINA: Nationalist military eager to attack Communists—US Military Attache Nanking has been told by the Nationalist Chief of Staff in Manchuria that the immediate objective of National Government forces, "if not restrained" by Chiang's orders, will be to force the Communists from Harbin and Tsitsihar and cut them off from all international borders except on the northwest. The Chief of Staff considers that if the Government forces do not attack this winter, the Communist position by spring will be strong enough to make operations against them "much more difficult."

UNRRA operations in Formosa--US Consul Blake at Taihoku does not concur in the recommendation, made by the Chief of the UNRRA Regional Office in Formosa, that UNRRA operations in Formosa be liquidated (see Daily Summary of 17 August, item 7). Blake holds that Formosa urgently needs additional UNRRA relief and rehabilitation supplies of the types thus far received and that UNRRA activities should be curtailed only on the same basis as that applied to the Chinese mainland.

THE AMERICAS

10. PERU: APRA leader minimizes Talara brawl—The leader of Peru's strong APRA party, Haya de la Torre, has told US Ambassador Cooper that he feels the recent "incident" at Talara between US Army and Peruvian Naval personnel (see Daily Summary of 7 August, item 17) should be minimized and not be permitted to influence consideration of "larger affairs."